



23rd August, 1945.

B.S. 1945/8A.

NEW SOUTH WALES.

BUSINESS STATISTICS - AUGUST, 1945.

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PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. The index numbers for July, 1945 show rainfall about average in principal sheep districts and above average in coastal dairying districts. Although below normal, falls in wheat districts were mostly adequate, following upon heavy precipitation during June. Very useful falls occurred in most inland areas in the first half of August and showers in coastal districts have maintained good seasonal conditions there. Pasturage generally is fair to good and demands for restocking have resulted in a very firm market for sheep. Stock have recovered condition well, and active trapping is keeping rabbits in check.

RAINFALL INDEX, NEW SOUTH WALES.

Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Period.	Sheep Districts	Wheat Districts.				Dairying Districts.
		Northern	Central	Southern	Total	
Year 1944	57	68	51	52	53	79
1945-Jan.	114	109	159	116	127	70
Feb.	123	155	110	71	92	99
Mar.	31	31	41	26	30	41
Apr.	87	101	103	33	63	142
May	105	160	139	55	90	90
June	181	177	219	143	167	373
July	95	83	58	77	73	139

WOOL. Appraisements of the 1945-46 season began in Sydney on Aug. 6, 1945. From July 1 to Aug. 16, 1945 wool received in Sydney was 106,975 bales or 25,170 fewer bales than in the corresponding period of last season. Many clips reflect the unfavourable season and carry much dust and vegetable matter. This season's clip will be acquired by the British Government at the agreed price of 15.4531 pence (Aust.) per lb. It is not yet clear whether the U.K.-Australian agreement extends to cover the 1946-47 clip.

No details of plans for marketing of the wartime accumulation of wool have yet been made public.

WHEAT. As assessed by experts of Dept. of Agriculture wheat (and oats) crop development at mid-August in N.S.W. ranged from above normal in the northern section and about normal in the central section, to about 70 per cent. in the eastern part and 50 per cent. of normal in the western part (Riverina) of the southern section of the wheat belt. Frosts were useful in checking growth in over-forward crops in northern and central sections but retarded progress of backward crops in the south, particularly in the Riverina. The southern section is very dependent upon good spring rains to enable a satisfactory harvest, but elsewhere there are good reserves of subsoil moisture to carry crops forward. The outlook in other States is generally promising. The area under wheat in N.S.W. is about 25 per cent. greater than in 1944-45. The area licensed to a recent date was 4.79 m. acres.

DAIRYING INDUSTRY. Butter production is at the seasonally low level, but is beginning to increase.

For cream supplied to certain North Coast factories in July, 1945 farmers received 1s.9.625d. per lb. of commercial butter (inclusive of 6.6d. per lb. subsidy) compared with 1s.7.125d. per lb. (8.33d. subsidy) in July, 1944 and 1s.0.5d. per lb. in July, 1939. Deferred pay for the six months ended June, 1945 was 1d. per lb.

N.S.W. BUTTER - PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES.

Item.	Month of July				1945		
	1939.	1942.	1943.	1944.	May.	June	July
	Pence per pound of commercial butter.						
Monthly Pay	12.50	13.25	13.75	13.80	15.03	15.03	15.03
Deferred Pay	.75	1.44	1.00	.75	1.00	1.00	(a)
Subsidy86	3.80	5.33	6.60	6.60	6.60
Total Pay	13.25	15.55	18.55	19.88	22.63	22.63	(b) 21.63

(a) Not available. (b) Excluding deferred pay.

GENERAL. Fodder. Wheat for animal and poultry feed allocated for N.S.W. in August, 1945 was 750,000 bushels. A further 100,000 bushels has been approved for poultry in August and September, 1945. Due to recovery of pastures some farmers have been able to sell hay for use in other areas. The first 8,000 tons of grain sorghum is expected to arrive from U.S.A. in a few days. Next month 12,000 tons of wheat should be received from America. A review of restrictions upon the use of fodder is in progress.

Eggs are in plentiful supply and prices have been reduced.

Potatoes. Harvesting of main crop potatoes has been delayed by rain, which has also interrupted sowing of early potatoes.

Maize. Some crops in the North Coast suffered less from flood damage than was expected. Wet conditions are delaying preparations for maize sowing and seed maize is in short supply.

PART II FINANCE AND TRADE.

GENERAL. End of War. The U.S.S.R. declared war on Japan on Aug. 9. Japan indicated its willingness to capitulate on Aug. 15. V.P. (Victory in Pacific) holidays were observed on Aug. 15 and 16, 1945.

Oversea Trade. A long list of import restrictions were lifted or eased from July 1, 1945 by amended regulations of Aug. 4, 1945.

Premiers' Conference. A conference of C'wealth and State Premiers opened in Canberra on Aug. 20. Matters discussed included housing, rail unification plans, and post-war economic controls. By a decision all States are to be urged to refer the power of price control to the Commonwealth for three years.

Banking. The Banking Act and the Commonwealth Bank Act, were proclaimed on Aug. 20 but the sections providing for an industrial finance department and for housing loans were excluded pending completion of administrative and staff arrangements. The requirement for transfer of State and Local Government accounts from trading banks to the Commonwealth Bank is not to be enforced at present and control of foreign exchange and interest rates will remain under National Security regulations for some time.

COMMONWEALTH ACCOUNTS. Accounts for July, 1945 reveal continuance of the downward trend of war expenditure, met increasingly from revenue. Total war expenditure was £9.3 m. and £2.4 m. less than in July 1943 and 1944, respectively, but the amount met from loan fund was £16.4 m. and £8.1 m. less, the proportion met from revenue increasing from 30% in July, 1943 to 46% in July, 1944 and to 68% in July, 1945.

Civil expenditure was £0.6 m. greater than in July, 1944.

Revenue (excluding income tax re-imbursed to the States) at £31.7 m. was £6.1 m. greater in July 1945 than in July, 1944 mainly due to an increase in income tax collections of £6.5 m. Although the war has ended, the Treasurer anticipates that war accounts not yet rendered, other war commitments and finance of re-establishment and rehabilitation will preclude the possibility of early major reduction of taxation.

COMMONWEALTH EXPENDITURE (EXCL. INCOME TAX REIMBURSED TO STATES)

Service.	July, 1943.	July, 1944.	July, 1945.	Movement July '44 to '45
	£n.	£n.	£n.	£n.
War (1939) from -				
Revenue	12.1	15.5	21.2	+ 5.7
Loans	28.3	18.0	9.9	- 8.1
Total War	40.4	33.5	31.1	- 2.4
Other Revenue Services	10.0	9.9	10.5	+ 0.6
Total, All Services	50.4	43.4	41.6	- 1.8

Treasury bills outstanding on Commonwealth account at the end of July totalled £280 m. in 1943, £348 m. in 1944 and £343 m. in 1945.

NOTE ISSUE. Australian notes in the hands of the public had fallen from £182.7 m. in October, 1944 to £167.1 m. at the end of July, 1945.

Following upon the decision that notes of denominations exceeding £10 would cease to be legal tender after August, 1945, there has been a rapid return of notes of the larger denominations. Of these the amount outstanding on July 30, 1945 was £1.8 m. compared with £11.1 m. in January, 1945. The number of £10 notes has also been reduced greatly.

AMOUNT OF AUSTRALIAN NOTES ISSUED AND NOT REDEEMED. (£million)

Last Monday in Month.	10/-	£1	£5	£10	£20 and over	Held by Banks	Held by Public	Total
1939-Aug.	4.2	21.3	12.1	5.6	5.3	13.5	35.0	48.5
1944-July	8.1	60.8	70.7	45.9	9.5	15.8	179.2	195.0
1945-Jan.	8.0	61.1	70.8	42.2	11.1	15.0	178.2	193.2
-April	8.4	72.3	70.9	27.4	7.2	17.7	168.5	186.2
-July	8.2	74.3	73.6	25.1	1.8	15.9	167.1	183.0

TRADING BANKS. During June, 1945 deposits in trading banks decreased by £5 m. and advances increased by £1.6 m. Special wartime deposits were unchanged but holdings of Treasury bills and of government and municipal securities were reduced by £5.3 m. and £3.9 m., respectively.

Over the year ended June, 1945 movements in assets and liabilities were similar in character, in the main, though less in magnitude, than in 1943-44. An exception was the reduction in Treasury bills, reflecting lessened dependence of the Government upon short-term borrowing for war spending:-

Increase (+) or Decrease (-) (£million)

In Year ended June	Deposits	Coin, Notes etc.	Treasury Bills.	Gov't.etc. Securities	Special W.T.Deps.	Advances etc.
1943	(+) 65.6	(-) 7.0	(+) 11.2	(+) 19.4	(+) 66.5	(-) 22.3
1944	(+) 81.0	(+) 4.6	(+) 4.6	(+) 13.4	(+) 79.9	(-) 24.2
1945	(+) 48.0	(-) 1.5	(-) 8.9	(+) 15.2	(+) 59.9	(-) 13.9

Since June, 1939 (prior to the war) deposits with the trading banks had increased by £264.5 m. and advances to customers had contracted by £80.3 m. In June, 1945 the ratio of advances to deposits less special wartime deposits with the Commonwealth Bank was 61.0 per cent. compared with the ratio of 91.7% in June, 1939. It has been indicated that official policy in relation to advances has been liberalised to facilitate activities likely to promote revival of civilian enterprise.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia. £ million.

Av. of Weekly Figures	Deposits			Coin, Notes, etc. & Cash at C'wealth Bank.	Treas- ury Bills	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C'wealth Bank.	Advances Discounts etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1944-Apr.	217.7	326.6	544.3	40.6	74.2	80.3	172.4	227.6
May	217.7	318.8	536.5	37.1	63.7	83.8	180.2	225.2
June	219.9	314.6	534.5	38.0	55.4	89.1	182.8	221.8
1945-Apr.	225.9	370.1	596.0	35.0	63.8	114.1	236.2	203.6
May	224.6	362.9	587.5	36.1	51.8	108.2	241.8	206.3
June	224.0	358.5	582.5	36.5	46.5	104.3	241.8	207.9

Deposits with the Commonwealth Bank, exclusive of banks' special wartime deposits, increased from an average of £87.4 m. in 1939 to £190.6 m. in June, 1945, or by £103.2 m., while advances and discounts increased only from £17.4 m. to £22.6 m. or by £5.2 m.

SAVINGS BANKS.

Accumulation was less rapid during 1944-45 than in the preceding year, but far exceeded peacetime proportions. Although interest additions were greater than in 1944 (in N.S.W. £3.09 m. in 1945 compared with £2.5 m. in 1944) the increase in depositors' balances in June was less this year than last year. Over the war period (in the six years ended June, 1945) the amount on deposit has increased by £321.3 m. in Australia, including an increase of £110.1 m. in New South Wales. Comparative details are as follow:-

SAVINGS BANK DEPOSITS : N.S.W. AND AUSTRALIA.

Period.	N.S.W.		AUSTRALIA	
	Deposits at end of period.	Increase or Decrease (-) in period	Deposits at end of period	Increase or Decrease (-) in period.
<u>Year ended June:</u>	£000	£000	£000	£000
1939	87,474	1,458	245,587	5,155
1942	94,538	6,788	274,275	22,044
1943	122,405	27,867	357,995	83,720
1944	162,867	40,462	471,530	113,535
1945	198,203	35,336	566,906	95,376
Month: 1944-Apr.	156,025	1,871	450,773	4,729
May	157,045	1,020	455,012	4,237
June	162,867	5,822	471,530	16,518
1945-Apr.	189,566	1,672	543,201	3,211
May	192,884	3,318	552,074	8,873
June	198,203	5,319	566,906	14,832

WAR SAVINGS CERTIFICATES.

Net purchases of war savings certificates in June, 1945 were appreciably below the recent monthly average and less in amount than in June, 1944. During the year 1944-45, however, the net amount subscribed was £346,000 greater in Australia (with an increase of £238,000 in N.S.W.) than in the year ended June, 1944.

NET PROCEEDS OF SALE OF WAR SAVINGS CERTIFICATES: N.S.W. & AUSTRALIA.

	1944		1945			Year ended June				Total to June, 1945
	May	June	Apr.	May	June	1942.	1943.	1944.	1945.	
	£ Thousand.									
N.S.W	285	232	403	252	173	3,005	3,054	3,151	3,497	19,187
Aust.	797	668	914	660	493	8,791	8,875	8,575	8,813	52,534

BANK CLEARINGS.

Inter-bank clearings in Sydney in July, 1945 exceeded the amount in July, 1944, but the index number for the three months ended July was very slightly lower this than last year. The index suggests the maintenance of business conducted through banking accounts at about the record high level attained in 1943-44.

INTER-BANK CLEARINGS, SYDNEY.

Period.	Amount of Clearings (£million) (a)					Index (b)				
	1939.	1942.	1943.	1944.	1945.	1939	1942	1943	1944	1945.
Year	932.5	1248.5	1442.3	1499.6	...	100	131	151	156	...
Jan. - July	526.7	702.2	831.1	873.7	876.2	98	125	148	155	157
May	82.0	98.9	123.0	143.6	132.6	100	125	155	158	160
June	80.3	116.2	132.6	140.1	136.0	101	133	163	166	169
July	71.2	99.7	114.3	122.9	129.7	98	130	155	168	167

(a) Exclusive of Treasury bill transactions. (b) Three months moving average: base (100) is average of corresponding periods of 1926-30.

STOCK EXCHANGE.

Although oversea stock exchanges showed marked reaction to war developments, the existence of close control precluded any material movement in share prices in Sydney. Investors have displayed little desire to sell, and most shares have been maintained at prices very near to the permitted ceilings. The index of value of ordinary company shares in July, 1945 was practically unchanged from the peak level of June, 1945, with the index number for the pastoral and finance group 0.7 points lower and for retail shares 0.3 points lower.

INDEX OF SHARE PRICES - SYDNEY.

Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician).

Average for Mont	Manufact- uring and Distributing	Retail	Public Utilities	Pastoral and Finance	Insur- ance	Total 75 Companies	34 Active Shares
1937-Mar.	213.8	203.8	181.0	169.2	281.2	190.4	200.5
1939-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1941-Sept.	227.7	177.2	141.5	127.9	253.2	174.9	191.3
1942-June	184.2	145.5	117.4	116.4	216.3	146.7	157.3
1944-June	237.2	194.3	150.4	138.7	254.1	186.0	201.4
1945-May	242.3	207.2	170.5	148.4	264.6	195.7	210.0
June	242.3	207.7	170.4	148.0	264.6	195.7	210.1
July	242.2	207.4	170.3	147.3	264.6	195.6	210.0

National Security (Capital Issues) Regulations have been amended (20/8/45) to exempt from control new issues and calls of up to £10,000. Favourable consideration is to be given issues of larger amounts connected with building materials, household essentials, food, clothing, capital goods, rural production and equipment, export commodities and the like.

REAL ESTATE. Property transfers and mortgages registered in July, 1945 were each greater in value than in any month for more than three years, continuing the reviving trend of the real estate market apparent in recent months.

During the seven months ended June, 1945 sales (transfers) were £4.62m. greater than in Jan.-June, 1944 and £3.04 m. less than in Jan.-June, 1940, while mortgages were £1.11 m. greater and £5.87m. less, correspondingly. Real estate transactions remain under close control, but the exemption of mortgages up to £1500 (instead of £500) from requirement of Treasury approval early in July, 1945 probably facilitated further dealings.

REAL ESTATE TRANSACTIONS, N.S.W.

Month.	Transfers Registered (£000)				Mortgages (Incl. Renewals). (£000)			
	1940	1943	1944	1945	1940	1943	1944	1945
Jan.	1,884	1,226	1,090	1,786	1,480	595	383	608
Feb.	2,524	1,294	1,506	1,999	1,428	390	611	593
Mar.	2,464	1,550	1,552	2,059	1,686	503	663	688
Apr.	2,392	1,517	931	1,663	1,560	536	302	526
May	2,908	1,185	1,307	2,204	1,449	381	495	606
June	2,464	1,358	1,809	2,373	1,305	400	687	865
July	3,217	1,783	1,992	2,726	1,747	399	542	902
Total, 7 Mths.	17,853	9,913	10,187	14,810	10,655	3,204	3,683	4,788

PART III INDUSTRY, TRANSPORT, ETC.

GENERAL. Manpower. R.A.A.F. recruiting has ceased. Control over manpower has been relaxed to the extent that persons under 18 years of age, and ex-service personnel are free to take jobs of their own choosing, and persons may take employment in certain industries (mainly connected with building, household goods, clothing and foodstuffs) without manpower authority. De-protection of many types of industry is to be effected. The War Cabinet (17.8.45) "accepted the general principle that the dominant consideration must be the elimination of all controls not essential to the speedy re-establishment of discharged service personnel and civilian war workers. It has decided to revoke entirely the power of direction of labour."

Demobilisation of the fighting forces is to begin by Oct. 1, 1945 at the latest, and meanwhile the July-Dec. releases programme will be expedited. Demobilisation is to be effected under a priority points system based upon age at enlistment, length of service and family responsibility.

Industry. As an alternative to cancellation of contracts war production is to be tapered off as civilian production expands to avert mass unemployment of munitions etc. workers. The Commonwealth is prepared to turn over munitions factories to State Governments if they desire them for civilian production. Control of new manufactures has been revoked, permitting of establishment of new businesses on individual initiative. Many other wartime controls have terminated, including those over certain delivery services.

Transport. The Airlines Bill, providing for nationalisation of inter-state airways, has been passed. The rail priority system has ended and other rail transport restrictions have been lifted. Expenditure of £5 m. on a modern airport for Sydney on a site to be selected has been approved by the Commonwealth.

Housing. By a decision of the Premiers' Conference the States are to assume responsibility over production and allocation of building materials. The Director-General of Manpower expects that some 20,000 building workers will become available from the Services, A.W.C. and by transfer from other industries in July-Dec. 1945. Permits are no longer required to erect houses of a cost up to £1,200 or for repairs etc. to houses not exceeding £150. The Master Builders' Federation of Australia is in conference in Sydney. Increased supplies of softwoods from New Zealand have been arranged.